GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3906
ANSWERED ON:27.04.2012
SCALING DOWN THE COUNTRY S GROWTH
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Will the Minister of FINANCE be pleased to state:

(a) whether some global banking giants like `Goldman Sachs; have advocated the necessity to scale down the country`s growth rate from 7.6 per cent this fiscal;

(b) if so, the reaction of the Government thereto; and

(c) the efforts made by the Government of India to improve the country`s economy?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Goldman Sachs in its Asia Economics Flash (December 2011) has placed GDP growth at 7.2 per cent in fiscal year 2012-13. The Economic Survey 2011-12 has projected the growth rate of real GDP for 2012-13 to be 7.6 (+/-0.25) per cent. The government is aware of projections for GDP growth rate made by different agencies, which are taken note of in policy formulation.

(c): The Government has announced a number of policy measures in the Union Budget 2012-13. Some of the measures are focused on creating conditions for rapid revival of high growth in private investment and addressing supply bottlenecks in agriculture, energy and transport sectors and to improve investment environment which are expected to improve the economic activity and growth during the year. Steps proposed to promote higher growth in agriculture include raising fund allocation, raising credit for agriculture to Rs. 575,000 crore-in 2012-13, higher allocation for irrigation projects, etc. Encouraging investment in infrastructure by raising limits for FII in the long-term, raising limits for external commercial borrowings, simplifying the process of issuing Initial Public Offers (IPOs), larger amount of tax-free bonds for financing infrastructure, etc..